Baring Asset Management, Inc.
Global Equity: Wilshire 5000 Benchmark

For the month of: September 2008

Manager Performance Calculations

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Baring Equity	-12.40%	-19.00%	-22.40%	3.60%	8.50%
Wilshire 5000	-9.30%	-8.70%	-21.30%	0.60%	6.00%
MSCI ACWI	-12.50%	-16.50%	-26.50%	1.80%	8.50%

Performance Attribution & Strategy Comments

Global equity markets fell by another 12.4% in September. This was the fourth consecutive month of declines. No regions delivered positive absolute returns in the month. North America was the best performing region falling by 9.5%. Emerging markets was the worst performing region falling by 17.8%.

The Consumer Staples sector was the top performing sector in the month falling by 4.3%. This was followed by the Health Care sector which fell by 7.3%. The worst performing sectors were the Materials and Energy sectors which fell by 24.2% and 15.9% respectively on the back of falling commodity prices.

It is difficult to express how profound the market events of September were. September saw Fannie Mae and Freddie Mac placed into the conservatorship of the US government, the failure of Lehman Brothers, the sale of Merrill Lynch to Bank of America, the bailout of AIG by the US government, the sale of HBOS, the UK's biggest mortgage lender, to Lloyds TSB, the conversion of Goldman Sachs and Morgan Stanley to commercial bank status, the seizure of Washington Mutual by government regulators and its branches and assets sold to JP Morgan, the rescue of Belgian financial services firm Fortis by three European governments, the state backed rescue of European bank Dexia, and the proposed rescue sale of Wachovia to Citigroup (and now to Wells Fargo). Had these events happened over 10 years we would have called it an eventful decade – that they happened over a single month is astonishing.

The unprecedented stresses in the global financial system clearly weighed on markets, and unfortunately September was another poor month for global equities. The fall in markets has led to very attractive valuation levels for many stocks, and in the medium term we believe this will be an excellent opportunity for long-term investors. However, the most immediate issue for the central authorities is to stabilize the global financial system. This they are attempting to do with never-before-seen levels of intervention in markets.

We again made more changes to the portfolio in the month than we usually do. Following several downgrades from our analysts we sold a number of our tech holdings. We also sold a number of our more economically sensitive stocks including Japanese trading company Mitsui and Singaporean property developer Capitaland. In the month we added UK insurer Admiral Group, Italian oil major ENI, JP Morgan and Dutch telecom company KPN.

The fund outperformed the benchmark in the month. Stock selection in North America and in the Consumer Discretionary sector was good. We were also helped by our overweight allocation to Consumer Staples. Stock selection was weak in Asia and in the Emerging markets.

Organizational/Personnel Changes

none

Account Turnover

Gained:	Number of Accounts:	0	Total Market Value ($m):	$	-
Lost:	Number of Accounts:	0	Total Market Value ($m):	$	-
	Reason(s): n/a				

Manager Style Summary

Baring tends to be a "top-down" manager, focusing on country and sector allocations with individual stock selection as a secondary consideration. Until the second half of 2004, Barings was asked to customize their portfolio to maintain a large cap growth exposure. Since then, Barings has implemented their fully integrated approach, which should result in portfolio characteristics similar to that of the benchmark, although they may have a tendency toward mid-capitalization stocks. Barings is not a "closet indexer" and is willing to have no presence in a country/region if they feel prospects are poor - this implies more volatility in returns compared to other global managers. Barings will actively hedge foreign currency exposures.

Baring Asset Management, Inc.
Global Equity: Wilshire 5000 Benchmark

Portfolio Guideline Compliance — September 2008

Portfolio Guideline:	Index	Baring EQ	Calc	Min	Max	Compliance
A1. ETF Security position <= 5% of the account @ purchase						ok
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		92		85	120	ok
B5. Normal Regional Exposures:						
United States & Canada		42%		30%	80%	ok
United Kingdom		15%		0%	30%	ok
Europe ex U.K.		21%		5%	40%	ok
Japan		6%		0%	25%	ok
Pacific ex Japan (Developed Index)		4%		0%	20%	ok
Non-Index Countries (All Emerging)		9%		0%	15%	ok
Cash & Hedges		4%				
Total		100%				
B6. Normal Global Portfolio Characteristics (MSCI All Country World)						
Capitalization	56,734	49,470	87%	70%	130%	ok
Price/Book Value	1.8	2.4	131%	80%	140%	ok
Price/Earnings (Next 12 mo)	10.4	11.3	108%	90%	120%	ok
Price/Cash Flow	6.3	8.6	135%	80%	140%	ok
Dividend Yield	3.2	2.5	78%	60%	120%	ok
Return on Equity	14.2	17.5	123%	75%	150%	ok
Return on Equity (5-Yr Avg)	20.3	25.9	128%	75%	150%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Brokerage commissions not to exceed $0.05/share for U.S. equities						ok
F3. Annual turnover					120%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					☑ Yes	☐ No

Manager Explanations for Deviations from Portfolio Guidelines